

AMENDED IN SENATE MAY 19, 2015

AMENDED IN SENATE APRIL 14, 2015

**SENATE BILL**

**No. 633**

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**Introduced by Senator Hill  
(Coauthor: Senator De León)**

February 27, 2015

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An act to amend Section 17533.7 of the Business and Professions Code, relating to false advertising.

LEGISLATIVE COUNSEL'S DIGEST

SB 633, as amended, Hill. Consumer protection: "Made in U.S.A." label.

Existing law prohibits the sale or offering of sale in the state of any merchandise on which merchandise or on its container appears the words, "Made in U.S.A.," "Made in America," "U.S.A.," or similar words when the merchandise or any article, unit, or part thereof, has been entirely or substantially made, manufactured, or produced outside of the United States.

~~This bill, instead, bill would make it unlawful for any person, firm, corporation, or association to sell, or offer for sale, merchandise that advertises itself as being made or manufactured in the United States unless the merchandise has been all or virtually all made in the United States, and provides that "all or virtually all" has the same meaning as in a specified policy statement of the Federal Trade Commission exempt from the prohibition merchandise made, manufactured, or produced in the United States if either the merchandise has an article, unit, or part that does not constitute more than 5% of the final product or the manufacturer makes a specified showing and the article, unit, or part does not constitute more than 10% of the final product. The bill would~~

*also exempt merchandise sold for resale to consumers outside of the state.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17533.7 of the Business and Professions  
2 Code is amended to read:

3 17533.7. (a) It is unlawful for any person, firm, corporation  
4 or association to sell or offer for sale in this state any merchandise  
5 on which merchandise or on its container there appears the words  
6 “Made in U.S.A.,” “Made in America,” “U.S.A.,” or similar words  
7 ~~unless the merchandise has been all or virtually all made in~~ *if the*  
8 *merchandise or any article, unit, or part thereof, has been entirely*  
9 *or substantially made, manufactured, or produced outside of the*  
10 *United States.*

11 ~~(b) For purposes of subdivision (a), merchandise that is “all or~~  
12 ~~virtually all” made in the United States has the same meaning as~~  
13 ~~in the Enforcement Policy Statement on U.S. Origin Claims issued~~  
14 ~~by the Federal Trade Commission (62 Fed. Reg. 63756 (Dec. 2,~~  
15 ~~1997)).~~

16 *(b) This section shall not apply to merchandise made,*  
17 *manufactured, or produced in the United States that has an article,*  
18 *unit, or part from outside of the United States, if the article, unit,*  
19 *or part of the merchandise obtained from outside the United States*  
20 *constitutes not more than 5 percent of the final manufactured*  
21 *product.*

22 *(c) (1) This section shall not apply to merchandise made,*  
23 *manufactured, or produced in the United States that has an article,*  
24 *unit, or part from outside of the United States, if both of the*  
25 *following apply:*

26 *(A) The manufacturer of the merchandise shows that it can*  
27 *neither produce the article, unit, or part within the United States*  
28 *nor obtain the article, unit, or part of the merchandise from a*  
29 *domestic source.*

30 *(B) The article, unit, or part of the merchandise obtained from*  
31 *outside the United States constitutes not more than 10 percent of*  
32 *the final manufactured product.*

1     (2) *The determination that the article, unit, or part of the*  
2 *merchandise cannot be made, manufactured, produced, or obtained*  
3 *within the United States from a domestic source shall not be based*  
4 *on the cost of the article, unit, or part.*

5     (d) *This section shall not apply to merchandise sold for resale*  
6 *to consumers outside of California.*

7     (e) *For purposes of this section, goods sold or offered for sale*  
8 *outside of California shall not be deemed mislabeled if the label*  
9 *conforms to the law of the forum state or country within which*  
10 *they are sold or offered for sale.*